

# CONGRESSIONAL FIRE SERVICES INSTITUTE

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**TO:** MOHAMED G. ABBAMIN, VIRGINIA DEPARTMENT OF FIRE PROGRAMS  
**FROM:** SEAN CARROLL; CFSI DIRECTOR OF GOVERNMENT AFFAIRS  
**SUBJECT:** FIRE SERVICE ISSUES IN THE 113<sup>TH</sup> CONGRESS – 2ND SESSION  
**DATE:** APRIL 3, 2014

## CONGRESSIONAL FIRE SERVICES CAUCUS

Currently there are approximately 257 members of the Congressional Fire Services Caucus. This is down from 292 members prior to the 2012 general election. Congressman Dave Reichert (WA-8) is the chair for the 113th Congress. Congressman Robert Andrews (NJ-1), a co-chair since 1995, resigned from Congress in March. With input from the national fire service organizations, the remaining co-chairs asked Congressman Bill Pascrell, Jr (NJ-9) to serve as the new House co-chair.

Currently, the House is comprised of 233 Republicans and 199 Democrats (there are vacancies in FL-19, NC-12, and NJ-1). The Senate is made up of 53 Democrats, 45 Republicans, and 2 Independents (both Independents caucus with the Democrats). CFSI, working with the leadership of the Congressional Fire Services Caucus, is currently engaged in a recruitment drive to encourage members of Congress to join and become actively engaged in the Fire Caucus.

## **FISCAL YEAR 2015 APPROPRIATIONS**

On March 4th, the White House unveiled the Administration's Fiscal Year 2015 budget proposal. The \$3.9 trillion budget, which is an estimated increase of \$250 billion over the Fiscal Year 2014 levels, contains \$38.2 billion for the U.S. Department of Homeland Security. This represents a decrease of approximately \$1 billion from Fiscal Year 2014 appropriations for the department.

Several programs of importance to the nation's fire and emergency services are among those considered for budget cuts under the administration's proposal. The Assistance to Firefighters (FIRE) and the Staffing for Adequate Fire and Emergency Response (SAFER) grant programs would be reduced by \$10 million to \$670 million for both grant programs. Congress appropriated \$680 million in Fiscal Year 2014, which was an increase of \$5 million over the previous fiscal year.

The budget would reduce funding for the United States Fire Administration's budget to \$41.407 million – approximately the same amount the Administration requested for Fiscal Year 2014 and \$2.6 million less than the \$44 million approved by Congress for Fiscal Year 2014. Included in the cuts to USFA are elimination of the State Fire Training Grants and a reduction of \$1 million for the National Fire Incident Reporting System (NFIRS).

The budget would also cut funding for the Urban Search and Rescue (US&R) Response System by almost twenty percent. The Administration proposes \$27.513 million compared to \$35.18 million Congress approved for the current fiscal year.

In addition to these cuts, the White House is proposing consolidating a number of emergency preparedness grant programs into a single National Preparedness Grant Program (NPGP). While the FIRE and SAFER grants are not included in this consolidation, it does include several important programs to the nation's fire service, including the Urban Area Security Initiative (UASI) and the State Homeland Security Grant Programs.

CFSI, working with the other national fire service organizations, has asked the Senate and House Appropriations Committees to reject the Administration's proposed budget cuts as well the National Preparedness Grant Proposal.

	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015 – Administration's Request
Assistance to Firefighters Grant Program (FIRE/SAFER)	\$675,000,000.00	\$680,000,000.00	\$670,000,000.00
United States Fire Administration (USFA)	\$44,000,000.00	\$44,000,000.00	\$41,407,000.00
Urban Search and Rescue System	\$35,180,000.00	\$35,180,000.00	\$27,513,000.00

#### **FIRE SPRINKLER INCENTIVE ACT**

On June 13, 2013, Senators Thomas Carper (DE) and Susan Collins (ME) introduced S. 1163, the Fire Sprinkler Incentive Act. The legislation was referred to the Senate Finance Committee. Both Senators Carper and Collins serve as co-chairs of the Congressional Fire Services Caucus.

The original measure was introduced in 2004 following the tragic nightclub fire in West Warwick, RI that claimed the lives of 100 victims. Since then, the legislation has been reintroduced in subsequent Congresses with various changes made to address concerns raised by members of Congress regarding cost estimates.

The legislation would classify automatic sprinklers as Section 179 property under the tax code. Section 179 allows small and medium-sized businesses to write-off the full cost of equipment purchases, up to \$125,000, in a single year. While automatic fire sprinklers are not currently classified as a Section 179 property, passage of the legislation would allow property owners to retrofit a large majority of high fire-risk properties, such as certain off campus housing, night clubs, nursing homes, and assisted living facilities. The legislation would also create a financial incentive for high-rise building owners to install sprinkler systems by reducing the depreciation schedule to 15 years. Currently the depreciation schedule is 39 years for commercial properties and 27.5 years for residential properties. This reduction will also put sprinkler improvements more in line with the current tax code that allows 15-year depreciation for leasehold improvements.

CFSI continues to work with Congressman Aaron Schock (IL-18) and Congressman James Langevin (RI-2) on introduction of a House bill. Congressman Dave Camp (MI-4), chairman of the House Ways and Means Committee, announced his plans to release a discussion draft of a tax overhaul bill the week of February 24<sup>th</sup>. If the committee takes up the bill, it could possibly provide an opportunity to move the sprinkler legislation forward.

#### **SAFE BUILDING CODES INCENTIVE ACT**

On May 8, 2013, Congressman Mario Diaz-Balart (FL-25) introduced H.R. 1878, the Safe Building Codes Incentive Act. The legislation would encourage states to adopt and enforce model building codes that meet minimum life safety standards. Qualifying states would be eligible for an additional four percent in post-disaster grants from Federal Emergency Management Agency (FEMA). Senator Robert Menendez (NJ) introduced companion legislation, S. 924, on May 9, 2013.

CFSI continues to work with the BuildStrong Coalition to build support for this legislation on Capitol Hill.

## **PUBLIC SAFETY OFFICERS' BENEFITS PROGRAM**

On May 6, 2013, Congressman Joe Courtney (CT-2) introduced H.R. 1828, the Fire Police Fairness Act. The legislation expands Public Safety Officers' Benefits (PSOB) program coverage to fire police officers. Senator Richard Blumenthal (CT) introduced companion legislation, S. 876, on May 7, 2013. The legislation defines a "fire police" as an individual who:

- "is serving in accordance with state or local law as a member of a legally organized public safety agency but is not a law enforcement officer, a firefighter, a chaplain, or a member of a rescue squad or ambulance crew; and
- is officially deployed to provide scene security or directs traffic in response to any fire, rescue, or police emergency or at a planned special event."

On May 15, 2013, Attorney General Eric Holder announced a series of reforms to the PSOB program. The changes are a result of a comprehensive review of the program conducted by the Attorney General's office. The changes include moving to a paperless, online application process, consolidation of the legal review process within the Bureau of Justice Assistance (BJA), and continued outreach to stakeholder organizations.

Additionally, the PSOB office started meeting regularly with national public safety organizations to review the program and receive input from stakeholders. In order to make certain the meetings are successful, CFSI began organizing separate meetings of national fire and law enforcement organizations to develop agenda items for the PSOB office to ensure that any changes to the PSOB program are driven by the appropriate stakeholders.

## **VOLUNTEER FIREFIGHTER INCENTIVE BILLS**

On March 6, 2013, Congressman Peter King (NY-2) introduced H.R. 1009, the Volunteer Emergency Services Recruitment and Retention Act (VESRRA). Senator Susan Collins (ME) and Senator Charles Schumer (NY) introduced the companion measure, S. 506, the following day. The legislation clarifies the tax treatment of length of service award programs (LOSAPs).

LOSAPs are important to the volunteer fire service, allowing fire departments to offer incentives, including retirement savings plans, to retain veteran firefighters. However, these incentives, under current law, are subject to various risks. For instance, contributions into certain LOSAPs cannot be guaranteed to volunteers, meaning that they are vulnerable to creditors if the department goes bankrupt. Additionally, a federal cap established in 1996 on annual contributions into a LOSAP has never been adjusted for inflation, reducing the value of the LOSAP funds for many departments. And a large number of volunteer fire departments are quasi-governmental, but have their LOSAPs treated as private plans, subject to unnecessarily stringent reporting requirements. VESRRA would address each of these issues, simplifying the tax treatment of LOSAPs without increasing or reducing taxes.

On March 7, 2013, Senator Schumer, with Senator Collins, introduced S. 501, the Volunteer Responder Incentive Protection Reauthorization Act, a distinctly separate piece of legislation. This measure would exempt from federal income tax any property tax benefit and up to \$600 per year of any other type of benefit that a state or local unit of government provides to volunteer emergency responders as a recruitment or retention incentive. Congressman John Larson (CT-1) introduced companion legislation on December 12, 2013.

Both measures are under the jurisdiction of the House Ways and Means Committee and Senate Finance Committee. The House Ways and Means Committee established 11 working groups to review current federal income tax law and to seek input from stakeholders, advocacy groups, and the public. Any tax bills that Congress hopes to approve, including these two measures, will most likely need to be included in comprehensive tax reform legislation Chairman Camp has recently announced. As the process moves forward, CFSI will continue to provide updates as we work with the bill sponsors, the other national fire service organizations, and the relevant House and Senate committees on these important bills.

## **PATIENT PROTECTION AND AFFORDABLE CARE ACT'S POTENTIAL IMPACT ON VOLUNTEER FIRE DEPARTMENTS**

On January 10, 2014, Mark J. Mazur, the Assistant Secretary for Tax Policy at the U.S. Treasury Department, released a statement in response to the ongoing concern raised by several national fire service organizations and members of Congress from both parties. The Patient Protection and Affordable Care Act (PPACA) requires employers with more than 50 full-time employees (or their equivalents (FTE)) to provide health insurance to employees that work more than 30 hours per week. Unfortunately, the Internal Revenue Service has previously ruled that volunteer firefighters that receive nominal benefits from their fire departments (including stipends, end-of-the-year banquets and awards) count as "employees" of fire departments. This has led some volunteer fire departments to question whether or not they will be required to provide health insurance to their members under the "employer mandate" provisions of the health care law.

In his statement on the issue, Mr. Mazur said, "forthcoming final regulations relating to employer shared responsibility generally will not require volunteer hours of bona fide volunteer firefighters and volunteer emergency medical personnel at governmental or tax-exempt organizations to be counted when determining full-time employees (or full-time equivalents)." While the final regulations have yet to be released, the guidance released by the Treasury Department clarifies that volunteer firefighters will not be counted as employees under the health care law.

On February 12th, the Internal Revenue Service (IRS) released the final rule for the employer shared responsibility provisions of the Patient Protection and Affordable Care Act (PPACA). This is the final regulation providing guidance to employers on their responsibility regarding employee health coverage. Included in the final rule is language clarifying that fire departments and municipal governments will not need to include volunteers when calculating the number of full-time employees (or full-time equivalents) for the purposes of PPACA.

Congressman Lou Barletta (PA-11) and Senator Mark Warner (VA) have also introduced bi-partisan legislation to exempt volunteer firefighters from being counted as employees under PPACA -- H.R. 3979 and S. 1798 respectively. The Barletta and Warner bills would essentially codify the IRS ruling. The House passed H.R. 3979 on March 11<sup>th</sup> by a vote of 410-0

## **VOLUNTEER FIRE ASSISTANCE**

The Volunteer Fire Assistance (VFA) program is administered by the U.S. Forest Service's Office of Fire and Aviation Management. The program provides funding to state forestry agencies to deliver grants to fire departments for the purchase of firefighting equipment and training to respond to wildland fires in rural jurisdictions. VFA grants require local fire departments to provide a dollar-for-dollar match and are only available to volunteer fire departments that serve communities with a population of 10,000 or less.

Congress approved \$13.025 million for the program in Fiscal Year 2014, the same amount as the previous fiscal year. The White House has proposed a slight reduction in its Fiscal Year 2015 budget proposal, requesting \$13 million for the program.

## **CAMPUS FIRE SAFETY LEGISLATION**

On April 17, 2013, Congressman Bill Pascrell, Jr. (NJ-9) introduced H.R. 1609, the Campus Fire Safety Education Act. The legislation, which establishes a grant program at the U.S. Department of Education to make awards to institutes of higher education for fire prevention and education programs, has been referred to the House Committee on Education and Workforce. The late-Senator Frank Lautenberg (NJ) introduced companion legislation, S. 750, the same day. The Senate bill was referred to the Senate Committee on Health, Education, Labor and Pensions.

Additionally, Congresswoman Marcia Fudge (OH-11) reintroduced the Honorable Stephanie Tubbs Jones College Fire Prevention Act (H.R. 1437). The legislation, introduced on April 9, 2013, directs the Secretary of Education to make competitive demonstration grants to institutions of higher education, fraternities, and sororities for up to half the cost of installing fire sprinkler systems, or other fire suppression or prevention technologies, in student housing and dormitories.

Congressman Steve Israel (NY-3) has announced his intention to introduce the Kerry Rose Fire Sprinkler Notification Act. The legislation will require institutions of higher education to directly notify students of their housing facility's fire safety systems (including automatic fire sprinklers). The legislation would also require the Department of Education to collect data on fire sprinkler systems in student housing. The legislation is expected to be introduced in the spring of 2014.

On September 25, 2013, Senator Susan Collins (ME) introduced S. Res. 259, a resolution designating September 2013 as "Campus Fire Safety Month." The Senate unanimously approved the resolution on the same day. Senator Collins was joined by Senator Thomas Carper (DE) and Senator Patty Murray (WA) in introducing the resolution.